

SENATE BILL 635

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By: **Senator Mautz**

Introduced and read first time: February 6, 2023

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Bay Restoration Fund – Authorized Uses – Dorchester County Sanitary District**

3 FOR the purpose of altering the authorized uses of the Bay Restoration Fund to include,
4 for certain fiscal years, certain administrative costs incurred by the Dorchester
5 County Sanitary District, Inc., for certain purposes, up to a certain amount for each
6 fiscal year; and generally relating to authorized uses of the Bay Restoration Fund.

7 BY repealing and reenacting, with amendments,

8 Article – Environment

9 Section 9–1605.2(i)(2)

10 Annotated Code of Maryland

11 (2014 Replacement Volume and 2022 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Environment**

15 9–1605.2.

16 (i) (2) Funds in the Bay Restoration Fund shall be used only:

17 (i) 1. To award grants for up to 100% of eligible costs of projects
18 relating to planning, design, construction, and upgrade of a publicly owned wastewater
19 facility for flows up to the design capacity of the wastewater facility, as approved by the
20 Department, to achieve enhanced nutrient removal in accordance with paragraph (4) of this
21 subsection; and

22 2. Subject to paragraph (12) of this subsection, to award
23 grants for up to 50% of eligible costs of projects relating to planning, design, construction,
24 and upgrade of a privately owned wastewater facility for flows up to the design capacity of

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the wastewater facility, as approved by the Department, to achieve enhanced nutrient
2 removal in accordance with paragraph (4) of this subsection;

3 (ii) In fiscal years 2016 and thereafter, for up to 87.5% of the total
4 cost of projects, as approved by the Department, relating to combined sewer overflows
5 abatement, rehabilitation of existing sewers, and upgrading conveyance systems, including
6 pumping stations;

7 (iii) In fiscal years 2010 and thereafter, for a portion of the operation
8 and maintenance costs related to the enhanced nutrient removal technology, which may
9 not exceed 10% of the total restoration fee collected from users of wastewater facilities
10 under this section by the Comptroller annually;

11 (iv) In fiscal years 2018 and thereafter, after payment of outstanding
12 bonds and the allocation of funds to other required uses of the Bay Restoration Fund for
13 funding in the following order of priority:

14 1. For funding the eligible costs to upgrade a wastewater
15 facility to enhanced nutrient removal at wastewater facilities with a design capacity of
16 500,000 gallons or more per day;

17 2. For funding the eligible costs of the most cost-effective
18 enhanced nutrient removal upgrades at wastewater facilities with a design capacity of less
19 than 500,000 gallons per day; and

20 3. As determined by the Department and based on water
21 quality, climate resiliency, flood control, and public health benefits, for the following:

22 A. For costs identified under item (ii) of this paragraph;

23 B. For costs identified under subsection (h)(2)(i)1 of this
24 section; and

25 C. With respect to a local government that has enacted and
26 implemented a system of charges to fully fund the implementation of a stormwater
27 management program, for grants to the local government for a portion of the costs of the
28 most cost-effective and efficient stormwater control measures, including stormwater
29 measures relating to water quality, climate resiliency, or flood control, as determined and
30 approved by the Department, from the restoration fees collected annually by the
31 Comptroller from users of wastewater facilities under this section;

32 (v) As a source of revenue or security for the payment of principal
33 and interest on bonds issued by the Administration if the proceeds of the sale of the bonds
34 will be deposited in the Bay Restoration Fund;

35 (vi) To earn interest on Bay Restoration Fund accounts;

1 (vii) For the reasonable costs of administering the Bay Restoration
2 Fund, which may not exceed 1.5% of the total restoration fees imposed on users of
3 wastewater facilities that are collected by the Comptroller annually;

4 (viii) For the reasonable administrative costs incurred by a local
5 government or a billing authority for a water or wastewater facility collecting the
6 restoration fees, in an amount not to exceed 5% of the total restoration fees collected by
7 that local government or billing authority;

8 (ix) For future upgrades of wastewater facilities to achieve additional
9 nutrient removal or water quality improvement, in accordance with paragraphs (6) and (7)
10 of this subsection;

11 (x) For costs associated with the issuance of bonds;

12 (xi) Subject to the allocation of funds and the conditions under
13 subsection (h) of this section, for projects related to the removal of nitrogen from on-site
14 sewage disposal systems and cover crop activities;

15 (xii) For costs associated with the implementation of alternate
16 compliance plans authorized in § 4-202.1(k)(3) of this article;

17 (xiii) After funding any eligible costs identified under item (iv)1 and 2
18 of this paragraph, for transfers to the Clean Water Commerce Account in accordance with
19 paragraph (3) of this subsection; [and]

20 (xiv) After funding any eligible costs identified under item (iv)1 and 2
21 of this paragraph, for the transfers required under paragraph (11) of this subsection; AND

22 **(XV) IN FISCAL YEARS 2024, 2025, AND 2026, FOR THE**
23 **REASONABLE ADMINISTRATIVE COSTS INCURRED BY THE DORCHESTER COUNTY**
24 **SANITARY DISTRICT, INC., UP TO \$200,000 FOR EACH FISCAL YEAR, TO ADDRESS**
25 **BERMED INFILTRATION PONDS:**

26 **1. IDENTIFIED AS ACTIVELY FAILING OR AT IMMINENT**
27 **RISK OF FAILURE; OR**

28 **2. IDENTIFIED AS ACTIVELY DISCHARGING SEWAGE**
29 **EFFLUENT ONTO THE GROUND SURFACE.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
31 1, 2023.